

**Prepared Statement of Edgar M. Bronfman
Chairman of the Presidential Advisory Commission on
Holocaust Assets in the United States
Before the Senate Committee on Foreign Relations
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Mr. Chairman and members of the Committee, thank you for inviting me to speak to you today about the work of the Presidential Advisory Commission on Holocaust Assets in the United States, which I chair. I would particularly like to thank the Senator from Oregon, Mr. Smith, both for his efforts in helping to convene this important hearing and for the work he has put in as a member of the Presidential Commission. I would also like to thank Senators Boxer and Dodd for their work as members of the Presidential Commission.

My friends Elie Wiesel and Deputy Secretary of the Treasury Stuart Eizenstat are speaking to you today about the state of Holocaust assets issues around the world. I would like to focus my remarks more narrowly on those Holocaust assets that are at the center of the Presidential Commission's work – the gold, art, and financial property of Holocaust victims that came into the possession or control of the United States government before, during, and after World War II.

From before the day in late 1940 when President Roosevelt declared our nation the "Arsenal of Democracy" against the threat of Nazi aggression, the United States had assumed a singular status among the parties involved in Europe because we held ourselves to a different standard – the standard of the truth.

When President Roosevelt spoke to the American people in his fireside chat that December, he noted:

"During the past week many people in all parts of the nation have told me what they wanted me to say tonight. Almost all of them expressed a courageous desire to hear the plain truth about the gravity of the situation. One telegram, however, expressed the attitude of the small minority who want to see no evil and hear no evil, even though they know in their hearts that evil exists... The gist of that telegram was: 'Please, Mr. President, don't frighten us by telling us the facts.'"

Roosevelt did tell the American people the truth that night – the facts about armaments and weaponry, about Hitler's desire for world domination and the possibility that he might achieve it. The truths that Roosevelt discussed that night carried the argument for arming our allies. Within a year, the United States had formally declared war on Germany and Japan.

More than 50 years later, it was the same relentless American pursuit of the truth that led to the renewed push for moral reparations for Holocaust victims and their families. Americans were first – leading the inquiries into Nazi-looted gold in Swiss banks; dormant accounts in those banks; insurance policies; slave and forced labor; and looted art. It was the American government – including the United States Senate – and American-based non-governmental organizations that led the fight for justice.

At the same time, the history of our own actions had to be subject to the same scrutiny other nations received. Despite America's leadership role in returning stolen property following World War II, our actions were not without concerns. The President and the Congress therefore worked together in 1998 to create the Presidential Advisory Commission on Holocaust Assets in the United States for two primary purposes: (1) to investigate the truth about the assets of Holocaust victims that came into the possession or control of the United States government and (2) to recommend actions to pursue justice for Holocaust victims and their families.

We brought together a group of prominent Americans to serve on this Presidential Commission, all of whom recognize that because of the America's leadership in the fight for the truth about the Holocaust this Commission will be looked at worldwide as much for how it does its work as for what it recommends. For this reason, the Presidential Commission has explicitly made the pursuit of the truth its highest priority.

In addition to Senators Smith, Boxer, and Dodd, Senator Arlen Specter serves on the Commission. The other 17 Commissioners represent the House of Representatives, the private sector, the United States Holocaust Memorial Commission, and the Departments of the Army, Justice, State, and Treasury. Among our members are the former Commissioner of Internal Revenue, Margaret Milner Richardson; the Chair of the Board of Directors of the American Gathering of Jewish Holocaust Survivors, Roman Kent, himself a Holocaust survivor; and the President of Brandeis University, Dr. Jehuda Reinharz, much of whose academic work focuses on the Holocaust.

The Presidential Commission employs teams of researchers investigating questions about (1) gold; (2) financial assets including bank accounts, securities and intellectual property; and (3) art and cultural property including books, manuscripts, religious objects, gems, and jewelry. The National Archives has given us an office in their main records facility, and the United States Army's Center of Military History has provided us a second research office and a secure document storage area in their headquarters at Fort McNair. I would like to take this opportunity to commend the National Archives and Records Administration and the Department of the Army for their support. You should know that they have done everything we have asked of them and more.

Because the Presidential Commission found it must review approximately 45 million pages of documents that are relevant to its work, Senator Gordon Smith introduced legislation with Senators Grams, Boxer, and Dodd that passed unanimously last year and extended the Commission's mandate for one year, making our final report due to the President at the end of calendar year 2000. The House passed similar legislation, also unanimously. I am pleased to report that the Presidential Commission expects to deliver its report on time.

I anticipate that our final report will be comprised of two parts: (1) a historical report that will detail the Presidential Commission's research findings and (2) the Commission's recommendations to the President on what legislative and administrative actions should be taken to achieve justice.

Among the topics we expect to address in the historical report are:

- The agencies that took control of victim assets for the United States Government before, during, and after the war,
- The policies of these controlling agencies including where they originated and how they developed,
- The universe of assets subject to American control including assets under American control,
- Estimates of victim's assets looted by the Nazis and received by the United States and estimated percentage of victim wealth passing into or through American hands,
- American restitution policies and procedures in the United States and in Europe,
- How heirless assets were treated under the restitution policies,
- Deviations, misappropriations, diversions and theft, and
- What research remains to be done.

Throughout the report, the Presidential Commission will not mince words or censor itself, and the Commission's actions so far have proven our willingness to ask tough questions, follow through, and tell the truth

In addition to our historical role, the Presidential Commission has already affected the landscape of Holocaust assets issues. Examples of this are our work to help declassify Nazi-era documents, identify Nazi-looted books in the Library of Congress, and facilitate searches at the National Gallery of Art and elsewhere for artwork with questionable history, as well as our interim report on the mystery of the Hungarian Gold Train.

Declassifying Nazi-Era documents

The Presidential Commission has been working closely with the Nazi War Criminal Records Interagency Working Group and has helped facilitate the declassification of 400,000 pages of Nazi-related records by the Central Intelligence Agency, the Federal Bureau of Investigation, the National Security Council, the Justice Department, the State Department, the Department of Defense, and other branches of the United States government. We expect this newly available information to offer a clearer picture of the policies and actions of our government before, during, and after the Holocaust. The members of this Interagency Working Group should be commended for their hard work and dedication to their mission.

Nazi-Looted Books in the Library of Congress

It has long been known that after World War II, the Jewish Cultural Reconstruction Organization distributed books that had been looted by the Nazis from individuals who later perished in the Holocaust to American libraries, including the Library of Congress. Unfortunately, because of common record-keeping practices, the Library is not able to identify those books today, or to say which books it kept and which it sent to other institutions.

After several months of discussion with the Commission, the Library of Congress has agreed to an unprecedented plan in which rabbinical students will volunteer their time to review a sample of the Library's collection to help identify the number of books looted by the Nazis. This information will help illuminate whether it is advisable to identify these books individually or take other steps to recognize the special and tragic nature of their origin. The Commission appreciates the cooperation of the Library in addressing these issues.

Nazi-Looted Art in the National Gallery of Art and Elsewhere

The National Gallery of Art, implementing the suggestion of Commission researchers, recently found a way to improve the database on its Internet website to allow more comprehensive searches of the known provenance of individual works of art. Now, anyone anywhere in the world will be able to investigate the history of the objects in our national gallery's collection. While there still may be specific works of art in the Gallery's collection that need further research, the fact that the National Gallery took the lead to make its records more transparent so that appropriate questions can be raised helps demonstrate the American commitment to finding the truth. This cooperative relationship speaks volumes about our government's openness and willingness to ask itself the challenging questions.

The Presidential Commission will hold a hearing on Nazi-looted art and cultural property in New York City next week, on April 12. At this hearing, we will focus on the roles of other American museums and art dealers, as well as hear testimony about recent actions to restitute Nazi-looted artworks and the specific challenges of tracking looted Jewish cultural property.

Please note that the vast majority of art plundered by the Nazis was not "world class" or "museum quality" work. Most of what was taken were paintings of the type owned by successful – but not extremely wealthy – families, domestic silver and household artifacts, and, of course, many Jewish religious books and other religious items. The members of the Commission realize that though we hear a lot about Old Masters and similar paintings taken from the wealthiest collectors or most successful dealers, they make up only a fraction of the numerically more significant theft.

Among the witnesses we will hear from are an expert on Jewish cultural property from the Jewish Museum in New York, a representative of the New York State Holocaust Claims Processing Office, and a leading art loss investigator. We will also hear from the following individuals:

- Philippe de Montebello, the Director of the Metropolitan Museum of Art in New York (the Met). The Met said recently that it will publish a study showing how many of its two million works of art it has scrutinized to see if the Nazis might have looted them. Mr. de Montebello has been invited to release the study at the hearing.
- Mr. Glen Lowry, the Director of New York's Museum of Modern Art (MOMA). The MOMA said recently that it would consider identifying which of a dozen works of art it

is studying to find out whether they are Nazi loot. Mr. Lowry has been invited to make the identification at the hearing.

- Mr. Malcolm Rogers, the Director of the Boston Museum of Fine Arts (MFA). The MFA is scrutinizing 15 to 20 paintings to see if the Nazis may have stolen them. Mr. Rogers has been invited to give status report at the hearing.
- Dr. Lawrence Wheeler, the Director of the North Carolina Museum of Art will testify to the Presidential Commission about how his museum recently returned a painting by Cranach the Elder to two Viennese sisters from whose family it was originally looted.

Update on the Mystery of the Hungarian Gold Train

In October, the Presidential Advisory Commission on Holocaust Assets in the United States released a progress report on its research into the "Hungarian Gold Train."

This progress report raised the possibility that the United States' policies with regard to restitution were altered or ignored in light of other concerns. This report received significant coverage in the media here and abroad and clearly established the principle that while many of the Presidential Commission's findings may praise American activities, some may not, and our highest priority is discovering the truth.

In the United States, the public reception to the report was overwhelmingly positive despite the fact that it broke with conventional American views about our actions in Europe during and after World War II.

In Europe, the report led to re-discovery of records about the train that previously could not be found and a series of meetings and correspondence between Commission researchers and their analogues in several European countries. This has resulted in newly shared information that may require us to refine the interim conclusions from our October report. But the larger issue – that our openness about less-than-positive aspects of our past led to similar openness by researchers in other countries – strengthens our belief that we should pursue the truth without fear or favor.

Supplemental Appropriations

In the course of the Presidential Commission's work, we have discovered new areas of inquiry that must be examined. These additional activities include a review of agreements that may have existed between the United States and Western European countries regarding the restitution of property to individuals; a review of bank and travel agent records of assets transferred to the United States by Holocaust victims; and, the implementation of a project that would cross-match records of Holocaust victims with unclaimed property lists.

Completing this extra work will require additional resources. For this reason, the President sent a supplemental funding bill to the Congress last week that includes \$1.4 million for the Presidential Commission (still leaving the Commission below its authorized level of appropriations).

I hope that the Congress can support these necessary additional resources for our work.

Conclusion

Mr. Chairman, the irony of the central role of the truth in President Roosevelt's Arsenal of Democracy is that the truth about the Holocaust was not always told to the American people.

For instance, historians report that on August 8, 1942, Dr. Gerhart Reigner, the World Jewish Congress representative in Geneva, sent a cable to Rabbi Stephen Wise, who was the President of the World Jewish Congress, detailing "an alarming report" that Hitler was planning that all Jews in countries occupied or controlled by Germany "should after deportation and concentration... be exterminated at one blow to resolve once and for all the Jewish question in Europe."

The State Department's reaction was to refuse to give the cable to Rabbi Wise. After Rabbi Wise got a copy of the cable from the British, he passed it along to the Undersecretary of State, who asked him not to make the contents public. Rabbi Wise didn't make it public, but he did tell President Roosevelt, members of the cabinet, and Supreme Court Justice Felix Frankfurter about the cable's contents. None of them chose to speak publicly about this issue, and there is no evidence that any of them acted on it.

The United States government finally did acknowledge the report some months later, but the questions remain: how many lives could have been saved had we responded to this clear warning of the Holocaust earlier and with more vigor? What was the cost of hiding the truth from the American people and the world?

While we cannot answer these questions with precision, they do suggest one clear response – we cannot afford not to tell the truth about the American government's actions regarding Holocaust assets.

When signing into law the bill to extend the Presidential Commission, President Clinton declared that "The Commission's research demonstrates irrefutably that we in the United States are willing to hold ourselves to the same high standard of truth about Holocaust assets to which we have held other nations...(T)he Presidential Advisory Commission sends a strong message, both at home and abroad, that we are committed to examining difficult aspects of our history and determining how to build a better world for our children in the next millennium."

The Presidential Commission bears this responsibility fully and proudly, and I look forward to sharing with you the final results of our work at the end of this year.